

Instructions for Each Worksheet

Worksheet A: Discount Calculation for those entities filing as Schools/School Districts

If you checked the first or second box in Block 1, Item (5), you should use this worksheet.

Item (10)(a) - If you are filing this application as:

- a school, you need only complete one line of Item (10)(b), Columns 1-7. All of the services for which you are applying will be subject to the same site-specific discount you calculate here.
- a school district serving more than one school, and you are requesting services that will go ONLY to individual schools and will not be shared, complete Columns 1-7 of Item (10)(b) for each school.
- a school district, and ALL of the schools in your district will share one or more services (whether or not those schools will also receive site-specific services), complete Columns 1-8 for each of your schools PLUS Item (10)(c).
- a school district and if some services you are requesting will be shared by some schools and not others (whether or not those schools will also receive site-specific services), complete a separate worksheet, Columns 1-8 PLUS Item (10)(c), for each different group of schools sharing a service. You will then label the worksheets A-1, A-2, A-3, etc.

Item (10)(b) - Use this worksheet as instructed in Item (10)(a) to calculate the appropriate discount(s).

Item (10)(b), Column 1: For each school included in your application, list the school by name on a separate row. For a new school under construction, label this item "New School Construction" followed by the name of the school, in parentheses, if it is known at the time the Form 471 is submitted. If your district office or other administrative building(s) in your district is eligible for services, label this item "Administrative Entity" followed by the name, in parentheses, of the district office or other administrative building.

Item (10)(b), Column 2: List each school's Entity Number. If you do not know the Entity Number for a particular school, call the Client Service Bureau at 888-203-8100.

Item (10)(b), Column 3: Indicate whether each school is located in an urban or a rural area. You should base your assessment on the "Rural Areas by State" table posted on the SLD web site <www.sl.universalservice.org>. Instructions accompanying the table will help you determine whether the school is located in an urban or a rural area for purposes of the universal service support mechanism.

Calculating Each School's Site-Specific Discount (Columns 4-7)

Item (10)(b), Column 4: List the total number of K-12 students in each school. (For "New School Construction" or for an "Administrative Entity," enter "0" in this item.)

Item (10)(b), Column 5: Provide the number of students eligible for the National School Lunch Program (NSLP) as of the October 1st prior to the filing of this form, or use the most current figure available. (For "New School Construction" or for an "Administrative Entity," enter "0" in this item.) You may choose to use an actual count of students eligible for the national school lunch program or use federally approved alternative mechanisms to determine the level of poverty for purposes of the universal service discount program. Schools that choose not to use an actual count of students eligible for the national school lunch program may use only the federally approved alternative mechanisms contained in the Improving America's Schools Act (34 C.F.R. § 200.28(a)(2)(i)(B)). That law states that private schools without access to the same poverty data that public schools use to count children from low-income families may use comparable data "(1) [c]ollected through alternative means such as a survey" or "(2) [f]rom existing sources such as AFDC [Aid to Families with Dependent Children] or tuition scholarship programs." See 34 C.F.R. § 200.28(a)(2)(i)(B). It should be noted that AFDC has been changed to Temporary Aid for Needy Families (TANF). Schools using a federally approved alternative mechanism may use participation in other income-assistance programs, such as Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance (Section 8), or Low Income Home Energy Assistance Program (LIHEAP) to determine the number of students that would be eligible for the NSLP.

Item (10)(b), Column 6: For each school, divide Column 5 by Column 4 to arrive at the percentage of students eligible for the National School Lunch Program. Discount calculations may be rounded up only when fully half a discount point is reached. For example, an urban school with a discount eligibility of 34.499% is in the 50% discount band from the matrix, and an urban school with a discount eligibility of 34.500% is in the 60% discount band from the matrix. For eligibility discounts of less than 1%, however, there is no rounding and the discount band from the matrix is 20% for urban and 25% for rural. (For "New School Construction" or for an "Administrative Entity," leave this item blank.)

Item (10)(b), Column 7: Using the percentage in Column 6 and the FCC Discount Matrix (see below), you should determine the percentage discount to which the school is entitled. If you file online, the system will calculate this figure for you. If you have any questions about determining this figure you can call the SLD Client Service Bureau for assistance at **888-203-8100**. For "New School Construction" or for an "Administrative Entity" ONLY, enter the Weighted Average Discount for the School District. (A preparatory Worksheet A must be submitted documenting the Weighted Average Discount for the School District or, if a Worksheet A already includes all schools in the School District, label that worksheet "All Schools in the School District.")

DISCOUNT MATRIX

INCOME Measured by % of students eligible for the National School Lunch Program	URBAN LOCATION	RURAL LOCATION
	Discount	Discount
If the percentage of students in your school that qualifies for the National School Lunch Program is...	...and you are in an URBAN area, your discount will be...	...and you are in a RURAL area, your discount will be...
Less than 1%	20%	25%
1% to 19%	40%	50%
20% to 34%	50%	60%
35% to 49%	60%	70%
50% to 74%	80%	80%
75% to 100%	90%	90%

Calculating a Shared Discount for the School District (Column 8 and Item (10)(c))

Item (10)(b), Column 8: For each school receiving an appropriate share of shared services, multiply the discount rate for the school (Column 7) by the number of students in the school (Column 4). If you file online, the system will calculate this figure for you. The product is the school's weighted discount. (For "New School Construction" or for an "Administrative Entity," leave this item blank.)

Item (10)(b), Column 8, last cell: Add together all of the products in Column 8, and enter the total into the last cell at the bottom of Column 8. If you file online, the system will calculate this figure for you.

Item 10(b), Column 4: Add all of the students in all of the schools listed, and enter the total into the last cell at the bottom of Column 4. If you file online, the system will calculate this figure for you.

Item (10)(c) - Divide the total at the bottom of Column 8 by the total at the bottom of Column 4. Round the result to the nearest whole number percentage, and enter it into Item (10)(c). If you file online, the system will calculate this figure for you.

Worksheet B: Discount Calculation for those entities filing as Libraries

If you checked the third box in Block 1, Item (5), you should use this worksheet.

Item (10)(a) - If you are filing this application as:

- a library consisting only of one outlet/branch, you need only complete one line of Item (10)(b), Columns 1-5. All of the services for which you are applying will be subject to the same site-specific discount you calculate here.
- a library and you are a library system with more than one outlet/branch, and you are requesting services that will go *ONLY* to individual outlets and will not be shared, complete Columns 1-5 of Item (10)(b) for each outlet.
- a library and you are a library system with multiple outlets/branches, and ALL of the outlets/branches will share one or more services (whether or not those outlets/branches will also receive site-specific services), complete Columns 1-5 PLUS Item (10)(c).
- a library and you are a library system with some of the services you are requesting shared by some outlets/branches and not others (whether or not those outlets/branches will also receive site-specific services), complete a separate worksheet, Columns 1-5 PLUS Item (10)(c), for each different group of outlets/branches sharing a service. You will then label the worksheets B-1, B-2, B-3, etc.

Item (10)(b) - You will use this worksheet as instructed in Item (10)(a) to calculate the appropriate discount(s).

Item (10)(b), Column 1: For each library outlet/branch included in your application, list the outlet/branch by name on a separate row. For a new library under construction, label this item "New Library Construction" followed by the name of the library, in parentheses, if it is known at the time the Form 471 is submitted. If your library system office or other administrative building(s) is eligible for services, label this item "Administrative Entity" followed by the name, in parentheses, of the library system or other administrative building.

Item (10)(b), Column 2: List the Entity Number for each library outlet/branch. If you do not know the Entity Number for a particular library outlet/branch, call the SLD Client Service Bureau at 888-203-8100.

Item (10)(b), Column 3: No information is required for this Item.

Identifying the Site-Specific Discount for Each Library Outlet

Item (10)(b), Column 4: List the name of the public school district in which each library outlet/branch is located.

Item (10)(b), Column 5: List the weighted average discount rounded to the nearest whole number percentage for each school district listed in Column 4. This weighted average figure is the individual discount for the corresponding library outlet/branch in Column 1. Obtain this weighted average figure by contacting the school district or your state library, or by completing Worksheet A, Columns 1-8 PLUS Item (10)(c), for each district. Please note: The weighted average discount is quite likely to be a number like 43% or 66%, rather than 40% or 60%. Libraries do not select their discounts directly from the Discount Matrix. (For "New Library Construction," enter the Weighted Average Discount for the School District in which the library under construction is located. For an "Administrative Entity," enter the Library System's Average Discount.)

Calculating the Shared Discount for the Library System

Item (10)(b), Column 5, last cell: Add up all of the discounts in this column and enter the total in the cell at the bottom of Column 5. If you file online, the system will calculate this figure for you.

Item (10)(c) - Divide the total at the bottom of Column 5 by the total number of library outlets/branches listed in Column 1. Round the result to the nearest whole number percentage, and list this number in Item (10)(c). This is the library system's shared discount. If you file online, the system will calculate this figure for you.

Worksheet C: Discount Calculation for Consortia

If you checked the fourth box in Block 1, Item (5), you should use this worksheet. This worksheet should be used for a consortium of schools, school districts, libraries (outlets/branches, systems) or any combination of the above.

Item (10)(a) - If you are filing this application as:

- a consortium and you are requesting services that will go ONLY to an individual consortium member and will not be shared, complete Columns 1-4 of Item (10)(b) for each member.
- a consortium and if ALL consortium members will share one or more services (whether or not those consortium members will also receive site-specific services), complete Columns 1-4 for each member of your consortium PLUS Item (10)(c).
- a consortium, and some requested services will be shared by some consortium members and not others (whether or not those consortium members will also receive site-specific services), you must complete a separate worksheet, Columns 1-4 PLUS Item (10)(c), for each different group of consortium members sharing a service. You will then label the worksheets C-1, C-2, C-3, etc.

Item (10)(b) - You will use this worksheet as instructed in Item (10)(a) to calculate the appropriate discount(s).

Item (10)(b), Column 1: For each eligible consortium member included in your application, list the member by name on a separate row. Do not list ineligible consortium members, as they will not receive discounted services.

Item (10)(b), Column 2: List each eligible consortium member's Entity Number. If you do not know the Entity Number for a particular eligible consortium member, call the SLD Client Service Bureau at 888-203-8100.

Item (10)(b), Column 3: No information is required for this Item.

Identifying the Site-Specific Discount for Each Member

Item (10)(b), Column 4: Provide the correct discount for each eligible member depending on the type of entity it is.

- If the member is an individual school, use the discount from Worksheet A, Column 7. Attach a completed Worksheet A showing the calculations for each school that is a member of your consortium.
- If the member is a school district, use the discount from Worksheet A, Item 10c (the weighted average discount). Attach a completed Worksheet A showing the calculations for each school district that is a member of your consortium.
- If the member is a library outlet/branch, use the weighted average discount for the school district in which the library is located.
- If the member is a library system, use Worksheet B, Columns 1-5 PLUS Item (10)(c), to calculate the discount. Attach a complete Worksheet B showing these calculations for each library system that is a member of your consortium.

Calculating the Shared Discount for the Consortium

Item (10)(b), Column 4, last cell: Add up all of the discounts in this column and enter the total in the cell at the bottom of this column. If you file online, the system will calculate this figure for you.

Item (10)(c) - Divide the total at the bottom of Column 4 by the total number of consortium members listed in Column 1. Round the result to the nearest whole number percentage, and list this number in Item (10)(c). This is the shared discount for the entire consortium. If you file online, the system will calculate this figure for you.

F. Block 5: Services Ordered

Block 5 asks you to provide information about the eligible services that you have ordered, their cost, and the discount you are requesting based on the entities to be served. The following information will highlight the features of Block 5:

You will complete one Block 5 worksheet for each Funding Request. In general, you should complete a separate Funding Request page for:

- Each service provider that will be providing you with service.
 - Each separate contract or service agreement (but not necessarily the individual service within that contract or agreement, as long as they are in the same category of service, e.g. telecommunications services).
 - Each different category of service provided by the same provider. For example, a PBX system that the applicant will purchase and own and local voice service from the same telephone company should go on separate Block 5 worksheets, since the PBX would be Internal Connections and the phone service is Telecommunications Services. Check the *Eligible Services List* and any updates at <www.sl.universalservice.org> to identify which category each service belongs in.
 - Local phone service.
 - Long distance phone service.
 - Site-specific service (service not shared by other sites).
 - If you are ordering services based on several different Forms 470, services corresponding to each Form 470 must be reported on separate Block 5 worksheets with the relevant Form 470 Application Numbers.
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- **Ineligible costs:** You may not seek support for ineligible services, entities, and uses. The Block 5 worksheet will guide you through deducting any ineligible costs from your total cost of services before calculating your discount request. If you have any questions about whether a service is or is not eligible for support, please check the Eligible Services list on the SLD web site <www.sl.universalservice.org> or contact the SLD Client Service Bureau at 888-203-8100.
 - **Signed contracts:** You MUST have a signed contract (or a legally binding agreement between you and your service provider preparatory to a formal signed contract) for all services you order on your Form 471 except:
 - *Tariffed services:* Telecommunications services that you purchase at prices regulated by your state regulatory commission and/or the FCC, which do not require a signed, written contract.
 - *Month-to-Month Services:* Month-to-Month services which do not require a signed, written contract. Your billing arrangement signifies that you are receiving your services on a month-to-month basis.

Note: You must file a Form 470 and seek competitive bids for these two types of services each funding year.

- **Eligible service providers:** To provide you with telecommunications services, Internet access and internal connections under this program, a service provider must secure a Service Provider Identification Number (SPIN) from the Universal Service Administrative Company and certify that they will comply with program rules. *However, telecommunications services may be obtained only from telecommunications companies who provide those telecommunication services on a common carriage basis (meaning they provide their services for a fee to the general public).* If you receive telecommunications services from a provider that does not provide telecommunications services on a common carriage basis, your Funding Request for such services will be denied.
- **Discounted and undiscounted amounts:** Form 471 requires you to certify in Block 6, Item (25) that you have adequate budgetary resources for the undiscounted portion of any service you seek, as well as for related, ineligible services such as computers, training, software, maintenance, and electrical connections that you will need to make effective use of the services you order.

Item-by-Item Instructions

FRN # - The Fund Administrator will assign a unique number to each Funding Request represented on a Block 5 worksheet.

Item (11) - Check the correct category for the service listed on this Block 5 Funding Request. You may check only ONE. Please consult the Eligible Services List and any updates on the SLD web site, <www.sl.universalservice.org> or contact the SLD Client Service Bureau at 888-203-8100.

Item (12) - Provide the FCC Form 470 Application Number of the FCC Form 470 in which the services ordered here were sought. FCC Form 470 applicants will receive this number when they receive confirmation that their FCC Form 470 has been received and posted.

Item (13) - Enter the 9-digit Service Provider Identification Number (SPIN) for this service provider. You must provide a valid SPIN for the service provider indicated in Item (14) below. Each service provider should give you its SPIN on request. You may refer to the BEAR/SPIN Search area of the SLD web site for a list of service provider contacts. A service provider who does not have a SPIN should file the FCC Form 498 to obtain one. The Form 498 and Instructions can be downloaded from the Forms Area of the SLD web site.

Item (14) - Provide the full legal name of the service provider for this Funding Request. You may list only ONE service provider per Block 5 worksheet. The name of your Service Provider whose SPIN is indicated in Item (13) above must be provided.

Item (15) - Provide the contract number for this service.

- If this is a contracted service, and the contract does not have a contract number but has some other reference number, you should note that number. If there is no reference number, please enter N/A.
- If you are buying off of a master contract signed by a state, regional or local procurement agency on behalf of eligible schools and libraries, you may use either the master contract number or the number of your own purchase agreement executed pursuant to that master contract. Whichever number you use, be certain that you use the corresponding dates in Items (18) and (20).
- If this is a tariffed service—a telecommunications service that you purchase at prices (“rates”) regulated by your state regulatory commission and/or the FCC which does not require a signed, written contract—place a T in Item (15).
- Certain services are commonly offered on the basis of a month-to-month arrangement where there may be no written agreement between the customer and the service provider. These include services such as Internet access, cellular services and paging services. In these instances, standard monthly bills will be accepted as proof of a binding, legal arrangement between the service provider and the customer. (These arrangements are different from tariffed services, which may also be offered month-to-month but at regulated prices.) If the service for which you are completing Block 5 is purchased under such a month-to-month arrangement, please enter MTM (for “month-to-month”) in Item (15).

Item (16) - Provide the account number that your service provider has established with you for billing purposes. This information will help your service provider provide you with discounted bills for service. In the case of telephone services, this is most often the billed telephone number associated with the service. **If there are multiple billed telephone numbers, provide one main number.** If this service is already established (for example, a service provided under a qualified existing contract, or tariffed services for which you have selected the same service provider who already provides you with service), you should be able to find your account number on past bills, or you can request your account number from the service provider. If you have not yet established an account number, your service provider may have a “pre-account” identifier for you to use. If your service provider has no account number to identify your service, enter N/A.

Item (17) - List the Allowable Vendor Selection/Contract Date for this service. The Allowable Vendor Selection/Contract Date is the earliest date you are permitted to sign a contract for newly contracted services or to select your service provider for tariffed or month-to-month services after posting a Form 470. This Allowable Vendor Selection/Contract Date is identified in your Receipt Notification Letter for the Form 470 cited in Item (12) above, as well as on that posted Form 470 on the SLD web site.

Item (18) - For contracted services, enter the date that your contract for this service was signed, using mm/dd/yyyy format. For tariffed services and month-to-month services that you have identified as such in Item (15), leave this item blank.

Item (19)(a) - For contracted, tariffed, and month-to-month services, provide the date **when services will start in the funding year** for which you are applying, using mm/dd/yyyy format. Note that discounts will NOT be provided for services delivered before the beginning of the funding year, which starts on July 1. Thus, if this service has already started by the time you file this Form 471, you will use July 1 of the funding year as your Service Start Date.

Item (19)(b) - For tariffed and month-to-month services, enter the date that services will end in the funding year for which you are applying, using mm/dd/yyyy format. For contracted services, see Item (20) below.

Item (20) - For contracted services, enter the date the contract expires, in mm/dd/yyyy format. For tariffed services and month-to-month services that you have identified as such in Item (15), leave this item blank.

Item (21) - For each contract or service agreement upon which you based a request for discounts, you must provide a description of all the services that the service provider is providing on which discounts are being sought (see Special Notes below for details). Each description must be labeled with a unique "Attachment Number" of your choice. For the service you are requesting in this Block 5 worksheet, please enter the relevant Attachment Number for your attached description of services.

Special Notes on the "Description of Services"

A description of services, properly labeled with an Attachment Number, is required for every contract or service agreement. It is preferable that this be a list compiled by the service provider, who will be more familiar with the details of the services and products to be provided. To fulfill the requirement of Item (21), an attached description of services must include:

- the Attachment Number (assigned by you);
- the applicable contract number (for contracted services);
- the service provider's and contracting party's legal names; and
- a specific itemization of products and/or services to be provided and the associated costs adding up to the prediscount costs shown in Item (23) of Block 5. If ineligible services are also being provided under this contract or service agreement, and if they are featured on this list, the applicant should clearly identify them as ineligible and the price of those ineligible services must be deducted from the amount of prediscount costs identified in Item (23). You are responsible for assuring that you seek discounts only on eligible services. See instructions for Item (23) for details.

You may cite the same description of services in multiple Block 5 worksheets. For example, if you are ordering internal connections services under one contract to be installed in multiple specific sites and they are the same for each site, you may attach one description of services for that contract. Each Block 5 worksheet for each specific site can then include the same Attachment Number.

If the service you will be receiving is a continuation of service you have been receiving and your bill for the service shows the components of the service you are receiving, the bill may be attached for your Item (21) description of services. You need not send pages of the bill that detail individual transactions. If you are estimating that your costs will exceed the amounts shown on the bill, you should include as part of the Item (21) attachment an explanation for an increase in costs.

To facilitate review of your application, your Item (21) attachment should:

- list the equipment to be maintained and the associated costs if you are requesting discounts on maintenance services;
- provide itemized details of one-time costs associated with Internet access or telecommunications services;
- include a quote from the service provider or the criteria used to estimate costs for new services to be provided under tariff or month-to-month agreements;
- indicate if services are being purchased under a state master contract and include the contract number (if available) and the expiration date of the master contract; and
- indicate the number of phone lines and/or cell phones receiving service and provide information about their use if any will be used for other than educational purposes.

Item (22) - Entities receiving this service. For site-specific services that will be provided to one individual entity and not shared by others (for example, a local area network to be installed in one school building), provide the Entity Number of the individual entity receiving that service in **Item (22)(a)**. For shared services used jointly by multiple entities (such as telecommunications services provided to all of the outlets/branches in a library system), list the Block 4 Worksheet Number that shows the sharing entities and calculates the shared discount for this service in **Item (22)(b)**.

Item (23) - Use the step-by-step calculation grid to arrive at the total amount of your funding request. You may round dollar amounts to the nearest dollar, but please use numerals and include all digits. **DO NOT use words such as 1 million**, in place of 1,000,000. Note that if you are seeking support on multi-year contracts, **you may request funding only for that portion of the contract that is delivered in the relevant funding year.**

Use Columns A-E for any *recurring* charges for this service, and Columns F-H for any *non-recurring* charges for this service.

Item (23), Column A: Estimate your total monthly cost for this service. If the cost of service fluctuates from month to month, you might use the average of past bills to estimate the monthly cost.

If you expect to pay a non-recurring charge in multiple installments over the funding year, you should either amortize this charge in Columns A-E or include the full amount of this charge in Columns F-H. **DO NOT** include this amount under both recurring and non-recurring charges. If you amortize this charge in Columns A-E, you will not be eligible for discounts on the non-recurring services provided after June 30 of the funding year.

Item (23), Column B: Enter the total cost associated with ANY ineligible services, entities, or uses included in your monthly charges. The following represent some common ways in which eligible and ineligible costs are bundled together, and how you can go about deducting the ineligible costs.

- **Eligible services bundled with ineligible services:** While you may contract with the same service provider for both eligible and ineligible services, your contract or purchase agreement must clearly break out costs for eligible services from those for ineligible services. If the eligible and ineligible services were purchased together at a special "bundled" price, the service provider must also indicate the prices associated with each service if sold separately and the "price reduction" applied to the bundle. The applicant will use this reduced price when requesting universal service discounts on the eligible service. For example, if a provider offers to sell a school an eligible service for \$10.00 and an ineligible service for \$20.00, but also offers them as a bundle for \$24.00, this would indicate that the provider is offering a \$6.00, or 20%, price reduction. Therefore, the school could treat $\$10.00 - 20\% = \8.00 as eligible for universal service support.
- **Services shared by eligible and ineligible entities:** When you share a service with an ineligible entity, the provider may receive reimbursement only for that portion of the service that eligible entities are receiving. To help auditors confirm that this rule is being observed, you must keep and retain careful records of how you have allocated the costs of shared services and facilities among eligible and ineligible entities. You should maintain these records on some reasonable basis, consistent with any measures that may be established by the FCC, the SLD, or state commissions.
- **Bundled services from an Internet service provider:** You may receive discounts on access to the Internet but not on separate charges for particular proprietary content, other information services, or a package including content and conduit. The only exception is when the bundled package includes minimal content and provides a more cost-effective means of securing access to the Internet than other non-content alternatives. Thus, if a service provider bundles Internet access with a package of content that is available to all customers free of charge, the entire price of that bundle will be eligible for support. However, if the service provider a) does not offer an access-only service, and b) offers Internet users access to its proprietary content for a price, then you may treat the difference

between the content-only price and the price it charges for its bundled access as the price of non-content Internet access.

Item (23), Column C: Subtract the amount in Column B from the amount in Column A to arrive at your eligible monthly pre-discount cost.

Item (23), Column D: Provide the number of months you will be receiving this service in the funding year.

Item (23), Column E: Multiply Column D by Column C to arrive at your annual pre-discount cost for eligible recurring services.

Item (23), Column F: Estimate your total annual amount of non-recurring (one time) pre-discount charges for this service.

Item (23), Column G: Provide the total cost here associated with any ineligible service, entities, or uses included in your total annual cost of service. See notes on Column B, above, for more information.

Item (23), Column H: Subtract the amount in Column G from the amount in Column F to arrive at your total eligible pre-discount cost for non-recurring services.

Item (23), Column I: Add together columns E and H to arrive at your total eligible pre-discount costs (recurring and non-recurring) for the year.

Item (23), Column J: Enter the correct discount for this service, which is the discount you calculated for the entity or entities cited in Item (22). Refer back to the appropriate Block 4 worksheet to assure that you enter the correct discount.

Item (23), Column K: Multiply the amount in Column I by the discount in Column J to arrive at your total funding commitment requested for this service.

G. Block 6: Certification and Signature

Block 6 requires schools and libraries to certify certain information. This information is required to ensure that only eligible entities receive support under the universal service discount mechanism.

“Do Not Write In This Area” - The SLD uses this space to apply a bar code to your form upon receipt, so that we can properly track and archive your form.

Special Block 6 Instructions for Electronically Filed Applications

- When you have completed the electronic filing of Blocks 1-5, please print your application to retain a copy for your records.
- You must also submit the Block 6 certification.
 - If you have a User ID and PIN and wish to electronically submit your Block 6 certification, follow the directions online. When you submit your certification online, you will receive a confirmation so that you can be assured that your submission has met any filing deadlines. If you file online and use electronic certification, do not mail any part of your Form 471 to the SLD, but do mail the Item 21 attachments to the SLD as soon as possible after completing your Form 471. Make a copy of the electronic certification confirmation page and attach that to the top of the Item 21 attachment so that the SLD will be able to match the Item 21 attachment with the correct Form 471. Check the SLD web site for information about obtaining a User ID and a PIN.
 - If you wish to submit the completed and signed Block 6 certification manually, print Block 6 using your browser. When you print Block 6 using the browser, the form will automatically include your Form 471 Application Number, Applicant Name, and Applicant Address. Item (34) requires the signature of the authorized person who will certify to the accuracy of the information on the form. Also, you must complete Items (24)-(33). Mail the signed Block 6 to: **SLD-Form 471, P. O. Box 7026, Lawrence, Kansas 66044-7026**. For express delivery services or U.S. Postal Service Return Receipt Requested, send to **SLD-Form 471, c/o Ms. Smith, 3833 Greenway Drive, Lawrence, Kansas 66046**. Note: Do not mail the complete Form 471. Mail only the signed Block 6 certification page along with your Item (21) Description of services and any other attachments. If the Block 6 certification is submitted manually, you are advised to keep proof of the date of mailing.

For all applicants, filing manually or electronically:

Item (24) - Certify that the entities listed in Block 4 of your application are eligible schools and/or libraries. If your application includes schools and all of the information in **Item (24)(a)** is true of those schools seeking to receive discounted services, you should check the box in Item (24)(a). If your application includes schools and any of the information in Item (24)(a) is not true for the schools seeking to receive discounted services, those schools are not eligible to receive support under the universal service discount mechanism, and you should not check this box.

If your application includes libraries or library consortia and all of the information in **Item (24)(b)** is true of the libraries seeking to receive discounted services, you should check the box in Item (24)(b). If your application includes libraries or library consortia and any of the information is not true for the libraries or library consortia seeking to receive discounted services, those libraries or library consortia are not eligible to receive support under the universal service discount mechanism, and you should not check this box.

Item (25) - Certify that the current budget and any other budgets applicable to the current funding year for the eligible schools and libraries listed in Block 4 of this application will provide sufficient funding to purchase all of the resources—including computers, training, software, maintenance, and electrical connections—that are necessary for you to make effective use of the eligible services you have requested in Block 5, as well as to pay discounted charges for eligible services.

Items (26) and (27) concern the technology plans that must be prepared and approved before schools and libraries may receive discounted services under the universal service support mechanism. The only schools and libraries that do not have to comply with the technology plan requirement are those entities requesting support **ONLY** for basic local and long distance telephone service.

Item (26) - Check the box that best describes the level of technology plan.

- **Item (26)(a)** - Check here if the eligible entities are covered by individual technology plans for the services requested in your application.
- **Item (26)(b)** - Check here if the eligible entities are covered by a higher-level, multi-entity technology plan, such as a school district or library system plan. Statewide technology plans are not acceptable.
- **Item (26)(c)** - Check here if your application is **ONLY** for basic local and long distance telephone service, in which case no technology plan is required.

Item (27) - Check the box that best describes the status of the technology plan.

- **Item (27)(a)** - Check here if your technology plan has been approved.
- **Item (27)(b)** - Check here if you are currently seeking approval of your technology plan(s) from a state or other authorized body.
- **Item (27)(c)** - Check here if your application is **ONLY** for basic local and long distance telephone service, since no technology plan is required.

Item (28) - Certify that you have complied with all applicable state and local laws or rules regarding procurement. The FCC's rules are not intended to preempt state or local procurement rules.

Item (29) - Certify that services ordered pursuant to the universal service discount mechanism will be used for educational purposes only and that the services will not be sold, resold, or transferred in consideration for money or any other thing of value.

Item (30) - Certify that you have complied with all program rules and that you acknowledge failure to do so may result in denial of discount funding and/or cancellation of funding commitments.

Item (31) - Certify that you understand that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the shared services receive an appropriate share of benefits from those services, as defined by the FCC.

Item (32) - Certify that you are aware that you may be audited to ensure that the information that you are providing in this form is accurate and that you are abiding by all of the relevant regulations. You must also commit to retain any and all worksheets and other records that you have relied upon to fill out Form 471 for five years so that an auditor can verify the accuracy of the information you provide. Thus, if applicants represent multiple billed entities, collect data from those entities, and add up that data, they should retain those data sheets for five years. If an applicant is audited, it should be prepared to make the worksheets and other records used to compile these forms available to the auditor and/or the administrator, and it should be able to demonstrate to the auditor and/or the Administrator how the entries in its application were provided.

Item (33) - Certify that you are the person authorized to submit and certify to the accuracy of this form. This person must be authorized to represent any and all of the entities for which discounts are sought in this application. Documentation to confirm this person's authorization to represent all entities in this application may be sought by the Fund Administrator during review of this application.

Item (34) requires the signature of the authorized person.

Item (35) requires that the date of signature of the Form 471 be provided. Please note that for applications requesting new services, this date CANNOT be earlier than any Allowable Vendor Selection/Contract Date you cited in Item (17) of any Block 5 submitted with this application.

Item (36) - Print the name of the authorized person whose signature is provided in Item (34).

Item (37) - Provide the title or position of the authorized person whose signature is provided in Item (34).

Item (38) - Provide the telephone number, including area code, of the authorized person whose signature is provided in Item (34).

V. REMINDERS

- All schools and libraries ordering services eligible for universal service discounts must file Form 471 each time they order telecommunications services, Internet access, and internal connections for which they are requesting discounts.
- Form 470 must be posted to the SLD web site for at least 28 days before filing Form 471.
- The authorized individual representing the entity that pays the bills for ordered telecommunications and other supported services for the school, school district, or libraries, or consortium must sign or electronically certify Form 471.
- Provide data for all items that apply. For items that do not apply, fill in "N/A."
- Attach additional sheets if necessary. Any attachments to Form 471 should be clearly labeled. In addition, your attachments for Item (21) description of services must be clearly labeled with Attachment Numbers assigned by you.
- If you are filing electronically, PLEASE use your browser to print out a copy of YOUR ENTIRE APPLICATION before you select "Submit." Keep this as your file copy for future reference.
- If you are filing Blocks 1-5 of Form 471 electronically, you must also complete and submit your Block 6 Certification (whether electronic or paper), your Item (21) description of services and any other attachments. If you have not already done so, you must also submit the Block 5 certification of any Form 470 cited in a Funding Year 5 Form 471 with the signature of the authorized person.
- The Fund Administrator will notify the Form 471 applicant after our review of your application has been completed.
- The Fund Administrator will not provide funds to service providers for any service until FCC Form 486 is filed for that service, indicating that the service recipient's technology plan(s) (if necessary) has/have been approved (unless the recipient seeks only basic local and long distance telephone service) and that service has begun to be provided.
- You may be audited to ensure that the information that you are providing in this form is accurate and that you are abiding by all of the relevant regulations.

E-Rate Timeline

Cincinnati City School District – Application # 376499

<u>Date</u>	<u>Event</u>
12/17/2002	FCC Form 470 #618700000430033 filed online
12/17/2002	RFP posted to CPS website
12/17/2002 - 01/14/2003	28 day waiting period
01/14/2003	Allowable contract date per FCC Form 470
01/31/2003	Bid Evaluation complete at CPS – Blackwell selected as Service Provider
01/31/2003	PO # 396629 issued to Blackwell Consulting for \$250,000.00 (CPS portion of FRN approved amount)
02/06/2003	FCC Form 471 filed online
06/04/2003	CPS receives and responds to Matt McGourty at SLD regarding PIA questions on FRN 1032245
06/30/2003	FCDL issued for approval of FRN 1032245 for Blackwell Consulting Services of Ohio, LLC in the amount of \$2,250,000.00 "FRN Approved as Submitted"
06/30/2003	Pervious Interim Director – ITS / CPS, Brian Anderson, retires
07/01/2003	Andy Dively takes over as Interim Director – ITS / CPS
07/01/2003 – 08/24/2003	Detailed Statement of Work and Contract Negotiations conducted with Blackwell Consulting.
08/25/2003	CPS Board of Education approves final / detailed contract with Blackwell Consulting of Ohio, LLC.
09/03/2003	ITS / CPS files Form 486 online
09/15/2003	Work begins by Blackwell Consulting
10/22/2003	Interim Director – ITS is contacted by Ernest Huddleston, Jr., Special Investigator and is informed of a special investigation into the selection of Blackwell Consulting Services of Ohio, LLC. as the winning bidder.
11/11/2003	Information requested during the special investigation sent to and acknowledged by Ernest Huddleston, Jr.
11/11/2003 – 06/30/2004	Work continues by Blackwell Consulting. Monthly invoices issued to both CPS and SLD. CPS requested to sign Service Certifications for payment of Service Provider Invoices by SLD to Blackwell. CPS pays it's portion of monthly invoices, SLD does not.
07/01/2004 – 10/15/2004	Escalation of invoice tracking by Blackwell to Mgmt level at SLD.
10/25/2004	Director – ITS is requested to provide documentation of a "legally binding agreement" by Andy Eisley, Senior Manager of Program Integrity Operations
10/25/2004	Assistant General Counsel Julie Wilson is informed of request and asked to assist in the matter.
11/04/2004	Email correspondence continues between A. Eisley at SLD and CPS regarding 'contract'.
12/10/2004	CPS legal counsel responds to A. Eisley via email "that the Purchase Order is a Legally binding agreement".
01/12/2005	Commitment Adjustment Letter received from USAC.

STEVE CHABOT

MEMBER OF CONGRESS
FIRST DISTRICT, OHIO

129 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2216

CARL W. TOWER
441 VINE STREET, ROOM 3003
CINCINNATI, OH 45202
(513) 684-2723

Attachment E



**Congress of the United States
House of Representatives
Washington, DC 20515**

February 10, 2005

Kathleen Q. Abernathy
Commissioner
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Commissioner Abernathy:

I am writing on behalf of Cincinnati Public Schools, an organization in my Congressional district, regarding their appeal for funding after a ruling by the Universal Service Administrative Company.

They are appealing a ruling that they assert has denied payment of nearly \$1,000,000 to a vendor that worked for Cincinnati Public Schools. They have drafted an appeal of the ruling and have asked for my support in this endeavor. CPS states that they followed the guidelines of the E-rate program as they understood it, and that if they had known they were incorrect they would have cancelled the project immediately. CPS is also seeking a reason as to why it took more than a year after they had been notified that they would receive the funding to inform them that they would not.

I would appreciate it if you would take the time to carefully review the Cincinnati Public Schools appeal and give them every and full consideration in accordance with all applicable laws and regulations regarding this matter.

Please feel free to make this letter part of any public record. I would appreciate a copy of your response to Cincinnati Public Schools. Thank you for your time and attention to this matter.

Sincerely,

Steve Chabot
Member of Congress

SC:cb

cc: Thomas J. Gunnell
Cincinnati Public Schools

RECEIVED

FEB 17 2005

Business Executive
Cincinnati Public Schools

RECEIVED

FEB 17 2005

Business Executive
Cincinnati Public Schools

COMMITTEES:
JUDICIARY
SUBCOMMITTEE ON THE CONSTITUTION
CHAIRMAN
SUBCOMMITTEE ON CRIME, TERRORISM
AND HOME AND SECURITY
SUBCOMMITTEE ON COMMERCIAL
AND ADMINISTRATIVE LAW
INTERNATIONAL RELATIONS
SUBCOMMITTEE ON THE MIDDLE EAST AND CENTRAL ASIA
VICE-CHAIRMAN
SUBCOMMITTEE ON ASIA AND THE PACIFIC
SMALL BUSINESS
SUBCOMMITTEE ON TAX, FINANCE, AND EXPORTS

ROB PORTMAN
SECOND DISTRICT, OHIO

Attachment E

COMMITTEE ON
WAYS AND MEANS

COMMITTEE ON
THE BUDGET

CHAIRMAN,
HOUSE REPUBLICAN LEADERSHIP

ASSISTANT MAJORITY WHIP

Congress of the United States
House of Representatives
Washington, DC 20515-3502

WASHINGTON OFFICE:
238 CANNON HOUSE OFFICE
BUILDING
WASHINGTON, DC 20515
(202) 225-3164

KENWOOD OFFICE:
8044 MONTGOMERY ROAD
ROOM 540
CINCINNATI, OH 45236
(513) 791-0381

BATAVIA OFFICE:
175 EAST MAIN STREET
BATAVIA, OH 45103
(513) 732-2948

PORTSMOUTH OFFICE:
601 CHILLICOTHE STREET
PORTSMOUTH, OH 45662
(740) 354-1440

1-800-784-6366
<http://portman.house.gov/contact>

February 4, 2005

Mr. Thomas J. Gunnell
Cincinnati Public Schools
Education Center
PO Box 5381
Cincinnati, OH 45201-5381

Dear Mr. Gunnell:

Thank you for contacting my Kenwood district office regarding your questions for the Universal Service Administrative Company, Federal Communications Commission.

I have contacted the appropriate FCC official on your behalf, and I will be back in touch with you once I have received and reviewed the response to my inquiry. I have noted the time-urgency of your March 5th appeal.

In the meantime, should you have any further questions or concerns, please do not hesitate to call my caseworker, Linda Long, at 513.791.0381.

Sincerely,



Rob Portman
Representative

RP/11


RECEIVED

FEB 10 2005

Business Executive
Cincinnati Public Schools

**Erate Checklist****Funding Year 2004 (July 2003 - June 2004)****Equal Application Window Opens 11/5/03, Closes 2/4/04**

October 2003



**Merit's Service Provider
Identification Number
(SPIN): 143-004-331**

Questions?

For more detailed information about the erate program, eligibility, and how to apply, please visit these web sites:

Merit Network, Inc., Erate Information

<http://www.merit.edu>

Schools and Libraries Division

<http://www.sl.universalservice.org>

Michigan Department of Education

<http://www.michigan.gov/mde/>

Enclosed is Merit's response to your school or library's Form 470, *Description of Services Requested and Certification Form*, for FY 2004 (7/01/04-6/30/05) posted on the Schools and Libraries Division (SLD) web site. This checklist was prepared to guide you through the remaining steps that are necessary for you to obtain your erate discounts on these services. You may wish to reference this checklist as you proceed through the application process.

- ☐ 1. **Obtain Bids:** Your Form 470 must be posted for at least 28 days on the SLD's website before you can sign a binding contract with a service provider. Your posted form will show your Allowable Contract Date and may be viewed at www.sl.universalservice.org.
- ☐ 2. **Review Responses:** Select your provider. You are not required to accept the lowest cost response you received, but you should select the most cost-effective solution that meets your needs.
- ☐ 3. **Sign Contract:** After the 28 day waiting period (the Allowable Contract Date on the Form 470), enter into a contract with the selected provider. To enter a contract with Merit, send us a signed purchase order. Your signed purchase order and Merit's proposal together form a legally binding contract. This step must be done before you submit your Form 471.
- ☐ 4. **Submit Request for Funding:** Submit the Form 471, *Services Ordered and Certification Form*, to the SLD, either online (preferred) or on paper. E-certification is available and you must have a PIN to use it. You must mail your original signature page, it must be postmarked before the close of the equal application window.
- ☐ 5. **RAL:** The SLD will send you a Receipt Acknowledgment Letter (RAL). The RAL indicates that your 471 was received and entered properly into the system. Note: Review document for data entry accuracy.
- ☐ 6. **FCDL:** The SLD will later send you a Funding Commitment Decisions Letter (FCDL) advising you of the status of your request. If you are denied funding and you believe the SLD is incorrect, prepare your appeal immediately. You have 60 days from the date on your FCDL to file an appeal. If necessary, contact your service provider for information to support your appeal.

Once you receive your funding, notify your provider to remove any contingencies to the start of services. Proceed with installation of any new services or continuing existing service.

- ☐ 7. **Confirm Receipt of Service:** Submit the Form 486, *Receipt of Service Confirmation Form*, to the SLD. Before submitting this form, you and your provider must agree on whether to use discounted invoices or Form 472 (BEAR). Merit will provide you a discounted bill and will bill the SLD for the remaining costs. You should not need to file a BEAR form. There are new CIPA certification requirements and new deadlines for submitting the 486. Your deadline depends on when you receive your FCDL.

PURCHASE ORDER
**THE BOARD OF EDUCATION
CINCINNATI CITY
SCHOOL DISTRICT**

PURCHASING AND MATERIAL CONTROL
P.O. BOX 5384
CINCINNATI, OH 45201-5384

VENDOR: BLACKWELL CONSULTING SERVICES
100 SOUTH WACKER ROAD SUITE 100
CHICAGO, ILLINOIS 60606
United States

PURCHASE ORDER NO. 396929	REVISION 0	PAGE 1
<small>THE PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING SLIPS, CARRIERS, AND OTHER DOCUMENTS RELATING TO THIS ORDER.</small>		
SHIP TO: Cincinnati Public Schools 2651 BURNET AVE RM 304 PH# 513 475-7128 Cincinnati, OH 45219-2551		
BILL TO: BILLING ADDRESS-NO SHIPMENTS Office of Treasurer A/P P O Box 5384 Cincinnati, OH 45201-5384 Phone: See Ship To:		
ITEMS ON THIS ORDER ARE EXEMPTED FROM OHIO SALES AND FEDERAL EXCISE TAXES AS A NON-PROFIT ORGANIZATION (O.R.C. 5739.02) TAX EXEMPT CERTIFICATE F.E.I.N. 31-8000758W		

COMMENTS:

ALL INVOICES MUST LIST A PURCHASE ORDER NUMBER. INVOICES WITHOUT A PURCHASE ORDER NUMBER WILL BE RETURNED.

ALL MATERIALS NOT DELIVERED IN SIXTY (60) DAYS, UNLESS OTHERWISE SPECIFIED BY THE BUYER, WILL BE CONSIDERED CANCELED

CUSTOMER ACCOUNT NO. 35573		VENDOR NUMBER	DATE OF ORDER/BUYER 31-JAN-03 BROWN, L		REVISED DATE/BUYER	
PAYMENT TERMS Net 30		SHIP VIA:		F.O.B. Prepay Add Back		
FREIGHT TERMS		REQUESTOR/DELIVER TO ANDERSON, Mr. BRIAN A		CONFIRM TO/TELEPHONE (312) 553-0730		
ITEM	PART NUMBER/DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION
1	NETWORK CONSULTING SERVICES (PER ATTACHMENT #141) TO THE 90% FREE & REDUCED CPS. CONTINGENT UPON CPS RECEIVING UNIVERSAL SERVICE DISCOUNTS (E-RATE) OF NOT LESS THAN 90%; AND, SUCCESSFUL NEGOTIATION OF A TERMS & CONDITIONS CONTRACT. o SHIP TO: Address at top of page	21-APR-03				250,000.00
It is hereby certified that the amount required to meet this purchase order or contract in the present fiscal year has been lawfully appropriated for such purpose and is in the Treasury or in process of collection to the credit of the appropriate fund free from any previous encumbrance.					Total	250,000.00
 Treasurer					ALL INVOICES PRESENTED FOR PAYMENT MUST CONTAIN THE VENDORS F.E.I.N. OR TAXPAYERS NUMBER. THIS PURCHASE ORDER IS SUBJECT TO THE BUYERS TERMS AND CONDITIONS OF CONTRACT FOR SALE ON THE REVERSE SIDE HEREOF.	

1. This order is Buyer's offer to purchase the goods and/or services described on the reverse hereof from Seller. Buyer's placement of this order with Seller is expressly conditioned upon Seller's acceptance of all of the terms and conditions of purchase contained on or attached to this order.
2. Any additional or different terms or conditions which may appear in any communication from Seller are hereby expressly objected to and shall not be effective or binding unless specifically agreed to in writing by Buyer's Purchasing Office, and no such additional or different terms or conditions in any printed form of Seller shall become part of this contract despite Buyer's acceptance of goods or services, unless such acceptance specifically recognizes and assents to their inclusion.
3. Any objection by Seller to the terms and conditions hereof shall be ineffective unless Buyer is advised in writing thereof within 10 days of the date of this order.

IDENTIFICATION: All invoices, packages, shipping notices, instruction manuals and other written documents affecting this order shall contain the purchase order number. Packing lists shall be enclosed in each box or package shipped pursuant to this order, indicating the contents therein. Invoices will not be processed for payment until all items involved are received.

SHIPPING INSTRUCTIONS: All goods are to be shipped freight prepaid, F.O.B. destination add to invoice, unless otherwise stated. Where Buyer has so authorized in writing, goods may be shipped F.O.B. shipping point, but Seller shall prepay all shipping charges, retain the goods by the cheapest common carrier, or the carrier specified, and list said charges as a separate item on Seller's invoice. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid. Buyer reserves the right to reject C.O.D. shipments. Seller shall not insure the goods for Buyer's account during shipment except upon Buyer's written request, or where the shipping mode is parcel post.

SPECIAL CHARGES: Seller shall be responsible for the payment of all charges for handling, packing, wrapping, bags, containers and related matters unless Buyer has assumed an express obligation therefore by notation on the reverse side hereof.

DELIVERY: Time is of the essence, and this order may be terminated if delivery is not made or services are not performed by the date specified on the reverse side hereof. No change in the scheduled delivery date or performance will be permitted without Buyer's prior written consent. No acceptance of goods or services after the scheduled delivery date will waive Buyer's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof.

PAYMENT: Buyer will remit payment to Seller by mail. Seller agrees not to deliver goods on a sight draft basis.

PRICES: If price is not stated on this order, it is agreed that the goods or services shall be billed at the price last quoted, or paid by a customer of Seller, or the prevailing market price, whichever is lower.

CASH DISCOUNT: If Buyer is entitled to a cash discount, the period of computation thereof will commence on the date of acceptance or receipt of a correctly completed invoice, whichever is later. If an adjustment in payment is necessary due to damage, the cash discount period shall commence on the date on which an agreed adjustment of price is reached. If a cash discount is made part of the contract, but the invoice does not reflect the existence thereof, Buyer is entitled to a cash discount with the period commencing on the date Buyer determines that a cash discount applies.

TAXES: The district is tax exempt under Ohio Revised Code. The tax exempt number is contained on the reverse side hereof.

ASSIGNMENT: Seller shall not assign this contract, or the right to payment due hereunder, without Buyer's prior written consent.

LIENS, CLAIMS AND ENCUMBRANCES: Seller warrants and represents that all the goods will when delivered hereunder, be free and clear of all liens, claims or encumbrances of every kind.

REJECTION: All goods purchased hereunder are subject to Buyer's inspection and approval. Goods rejected by Buyer for whatever reason shall be held, transported and/or stored at Seller's sole expense. Seller shall promptly reimburse Buyer for any such expenses.

DEFAULT: Buyer may, subject to the provisions of paragraph "N" by written notice of default to Seller, cancel the whole or any part of this order or exercise any other remedy provided Buyers of goods by law or in equity including any remedy under the Uniform Commercial Code (RCW Chapter 52A), in any of the following circumstances:

1. If Seller fails to make delivery of the goods or to perform the services within the time specified herein or any extension thereof;
2. If, in Buyer's good faith judgment, the Seller fails to perform any of the other provisions of this order or fails to make progress as to endanger performance of this order in accordance with its terms and does not cure such failure within a period of 10 days, or such longer period as Buyer may authorize in writing, after receipt of notice from Buyer specifying such failure;
3. Seller is in breach of any of the terms or conditions of this order; or
4. If Seller becomes insolvent or makes an assignment for the benefit of creditors, or if there shall be instituted by or against Seller any proceeding under any bankruptcy or for the appointment of a receiver or trustee in respect to any of Seller's property and such proceeding is not dismissed or cured within 60 days.

REMEDIES: Not by way of limitation, the remedies of the parties include:

1. If Buyer cancels this order in whole or in part as provided in paragraph "N", Buyer may procure upon such terms and in such manner as Buyer may deem appropriate goods or services similar to those canceled and Seller shall be liable to Buyer for any excess costs for such similar supplies or services, provided that Seller shall continue the performance of this order to the extent not canceled under the provisions of this order.
2. The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.
3. The failure of the Buyer to insist upon strict performance of any of the terms of this order or to exercise any rights hereunder shall not be construed as a waiver of Buyer's rights.

WARRANTIES: Seller warrants goods supplied and work or services performed under this order conform to specifications herein and are MERCHANTABLE and fit for the particular purposes for which goods are ordinarily employed.

1. Seller shall be liable for all damages both to Buyer, requestor, and its customers incurred as a result of any defect or breach of warranty in any item covered by this order.
2. The foregoing express warranties shall be in addition to any warranty customarily made by Seller of its product and any implied warranties and shall be construed on conditions as well as warranties.
3. SELLER'S WARRANTY SHALL EXTEND FOR A PERIOD OF 12 MONTHS AFTER THE ITEM IS DELIVERED AND ACCEPTED BY BUYER AND APPLIED TO ITS INTENDED USE.

QUALITY STANDARDS: If a special brand is used in this order, the goods being purchased must meet the standard for quality, performance, and use of such brand. If Seller is willing to supply a product equivalent to the designated special brand, it must first provide the Buyer with descriptive literature identifying its brand, including the quality, performance, and specifications therefor. If Buyer elects to accept goods purported to be equal to the special brand, the goods may be rejected and dealt with as provided in paragraph 12 hereof. If labor is determined to be non-conforming.

Q. INSPECTION AND QUALITY CONTROL

1. All items furnished under this order by Seller to Buyer shall be subject to inspection and tests by Buyer. To the extent practicable inspection may be made at all times and places, including this period of manufacture and prior to acceptance.
2. If inspections or tests are made by Buyer on the premises of Seller, supplier or subcontractor, Seller without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of such inspectors in the performance of their duties. If inspection or test is made at a point other than the premises of Seller, supplier or sub-contractor, it shall be at the expense of Buyer except as otherwise provided in this order. In case of rejections, Buyer shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by Buyer shall be performed in such manner as to not unduly delay the work. Buyer reserves the right to charge Seller any additional cost to inspect and test when items are not ready at the time such inspection and test is requested by Seller or when reinspection or retest is necessitated by prior rejection. Inspection and acceptance or rejection of the items shall be made as promptly as practicable after delivery as may be specified herein. Failure to inspect, accept or reject goods shall neither relieve Seller from responsibility for such supplies as are not in accordance with the order requirements nor impose liability on Buyer.

R. INFRINGEMENTS: Seller warrants that Buyer's purchase, installation, and/or use of the goods covered hereby will not result in any claim or infringement, or actual infringement of any patent, trademark, copyright, franchise, or other intellectual property right.

S. RISK OF LOSS: Regardless of F.O.B. Point, Seller agrees to bear all risk of loss, injury, or destruction of goods and materials ordered herein which occur prior to acceptance by Buyer. No such loss, injury, or destruction shall release Seller from any obligations hereunder.

T. INDEMNIFICATION: HOLD HARMLESS: Seller shall indemnify and hold Buyer harmless from and against all claims, losses, expenses, damages, causes of actions and liabilities of every kind and nature including without limitation reasonable attorney's fees, without waiver of Seller's obligation to indemnify Buyer hereunder, arising from or out of any alleged breach of any of Seller's obligations or warranties.

U. EQUAL EMPLOYMENT OPPORTUNITY: Unless exempted by Presidential Executive Order 11246 and applicable regulations thereunder, Seller:

1. Certifies that it does not, and will not, maintain segregated facilities, nor permit its employees to work at locations where facilities are segregated on the basis of race, color, religion, national origin, age or sex;
2. Agrees that for all orders in excess of \$10,000, the Equal Opportunity Clause contained in the Buyer's Policy of Equal Opportunity Compliance Certification Procedure, as may be amended from time to time, is hereby incorporated by reference; and
3. For all orders in excess of \$50,000, shall furnish the Buyer with a written Affirmative Action Compliance Program Certificate within 120 days of the date hereof.
4. Seller agrees to execute Buyer's Equal Employment Opportunity Agreement and Certification, if requested.

OSHA/WHSA: Seller shall comply with the conditions of the Federal Occupational Safety and Health Act of 1970 (OSHA), the Washington Industrial Safety and Health Act of 1973 (WHSA), as amended, and the standards and regulations issued thereunder, and certifies that all items furnished and purchased under this order will conform to and comply with such applicable standards and regulations.

W. SERVICE OR INSTALLATION OF WORK: In the event this order requires the performance of work or installation of goods by Seller upon any property or project of Buyer, the following conditions shall also be applicable:

1. Seller shall take precautions to protect all property and persons from damage or injury arising out of its work and shall comply with all fire, safety and other applicable regulations prescribed by any governmental agency and by Buyer and/or owner of the project upon which work is being performed, and shall be responsible for observance thereof by all sub-contractors, employees, agents and representatives of Seller and its sub-contractors. Seller shall also obtain at its own expense and provide Buyer with proof of insurance coverage satisfactory to Buyer for workman's compensation and property damage, public liability, personal injury, employer's liability and other applicable insurance.
2. Seller shall keep the premises and work free and clear of all mechanics' and materialmen's liens or claims; Seller shall promptly pay for all labor and material and if Seller fails to do so Buyer without waiving any rights or remedies against Seller for or by reason of such failure may, but without any obligation to do so, pay the same and deduct the amount of such payments from sums due Seller hereunder; and Buyer may withhold any payment to Seller until receiving such affidavits, waivers, and releases with respect to claims for labor and materials as Buyer may require.
3. The work shall remain at Seller's risk prior to written acceptance by Buyer and/or the owner of the project and Seller shall replace at its own expense all work damaged or destroyed by any cause whatsoever.
4. Seller shall observe and comply with, to the extent required by Buyer, the wages, hours and working conditions established by Buyer on the project or required of Buyer by an applicable labor agreement, state laws or regulation, pertaining to prevailing wages. These terms extend to all subcontractors as well.
5. Seller shall act as an independent contractor and not as the agent or representative of Buyer.
6. Seller shall perform its work in accordance with the schedules and work programs established by Buyer and shall fully cooperate with Buyer and others engaged in work on the entire project may be performed with the utmost speed, consistent with good practices. In case of conflict, Buyer may direct the necessary coordination.
7. Seller shall carry on its work so that the premises shall at all times be clean, orderly and free from debris and upon completion shall remove all equipment and unused materials from the project; clean up all refuse and debris and leave the site of the work clean, orderly and in good condition.
8. Seller shall require Seller's employees, agents, contractors or sub-contractors to abide by Buyer's Work and Safety rules when work or services are performed at Buyer's premises. Buyer has the right to exclude personnel from Buyer's premises who do not abide by such rules, and at Buyer's election, to declare a default under the order.
9. Seller is solely liable for its employees, agents, contractors or sub-contractors and their action while on Buyer's premises and the Seller indemnifies and will protect Buyer from all losses, claims, expenses, damages arising from or out of the presence or activity of Seller's employees while at Buyer's premises.

Attachment H

§ 1302.09. (UCC 2-206) Offer and acceptance in formation of contract.

(A) Unless otherwise unambiguously indicated by the language or circumstances:

(1) an offer to make a contract shall be construed as inviting acceptance in any manner and by any medium reasonable in the circumstances;

(2) an order or other offer to buy goods for prompt or current shipment shall be construed as inviting acceptance either by a prompt promise to ship or by the prompt or current shipment of conforming or non-conforming goods, but such a shipment of non-conforming goods does not constitute an acceptance if the seller seasonably notifies the buyer that the shipment is offered only as an accommodation to the buyer.

(B) Where the beginning of a requested performance is a reasonable mode of acceptance an offeror who is not notified of acceptance within a reasonable time may treat the offer as having lapsed before acceptance.

HISTORY: 129 v S 5. Eff 7-1-62.

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Forms

Contract formation. 2 OJI Form 253.03

Offer and acceptance. 2 OJI Form 253.05
